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Grosvenor Private Reserve Fund Limited,
Grosvenor Balanced Growth Fund Limited and
Grosvenor Aggressive Growth Fund Limited*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF

Debtor.

IRVING H. PICARD, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

GROSVENOR INVESTMENT MANAGEMENT
LTD. (in liquidation), GROSVENOR PRIVATE
RESERVE FUND LIMITED (in liquidation),
GROSVENOR BALANCED GROWTH FUND
LIMITED (in liquidation) AND GROSVENOR
AGGRESSIVE GROWTH FUND LIMITED (in
liquidation),

Defendants.

Adv. Pro. No. 08-01789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

Adv. Pro. No. 12-01021 (BRL)

**DECLARATION OF MICHAEL MORRISON IN SUPPORT
OF DEFENDANTS' MOTION TO DISMISS THE COMPLAINT**

I, Michael Morrison, under penalty of perjury, declare:

1. I am a Senior Managing Director at Teneo (Bermuda) Limited and have been appointed to act as joint liquidator of each of the Grosvenor Defendants¹ by the Supreme Court of Bermuda.

2. I am fully competent to make this declaration and, except as expressly stated otherwise, I have personal knowledge of the facts stated in this declaration.

3. This declaration is submitted in support of the Grosvenor Defendants' motion to dismiss the complaint.

A. Grosvenor Management

4. Grosvenor Investment Management Ltd. ("Grosvenor Management") is a private limited company organized and existing under the laws of Bermuda. Attached hereto as Exhibit 1 is Grosvenor Management's Certificate of Incorporation, which shows that Grosvenor Management was incorporated in Bermuda under the name "Westminster Management Ltd." on August 14, 1989. Grosvenor Management acted as custodian and manager for the Funds (defined below).

5. Grosvenor Management's registered office is located in Bermuda.

6. Grosvenor Management was placed into liquidation by the Supreme Court of Bermuda on February 1, 2019 and Mike Morrison and Charles Thresh were appointed as joint provisional liquidators and subsequently as joint liquidators. Attached hereto as Exhibit 2 is the court order dated February 1, 2019 directing that Grosvenor Management be wound up.

¹ The "Grosvenor Defendants" are, collectively: Grosvenor Aggressive Growth Fund Limited, Grosvenor Balanced Growth Fund Limited, Grosvenor Private Reserve Growth Fund Limited, and Grosvenor Investment Management Ltd.

B. Grosvenor Aggressive

7. Grosvenor Aggressive Growth Fund Limited (“Grosvenor Aggressive”) is a private limited company organized and existing under the laws of Bermuda. Attached hereto as Exhibit 3 is Grosvenor Aggressive’s Certificate of Incorporation, which shows that Grosvenor Aggressive was incorporated on October 24, 1997.

8. Grosvenor Aggressive’s registered office is located in Bermuda.

9. Grosvenor Aggressive was placed into liquidation by the Supreme Court of Bermuda on January 15, 2016 and Michael Morrison and Charles Thresh were appointed as joint provisional liquidators and subsequently as joint liquidators. Attached hereto as Exhibit 4 is the court order dated January 15, 2016 directing that Grosvenor Aggressive be wound up.

C. Grosvenor Balanced

10. Grosvenor Balanced Growth Fund Limited (“Grosvenor Balanced”) is a private limited company organized and existing under the laws of Bermuda. Attached hereto as Exhibit 5 is Grosvenor Balanced’s Certificate of Incorporation, which shows that Grosvenor Balanced was incorporated on September 26, 2000.

11. Grosvenor Balanced’s registered office is located in Bermuda.

12. Grosvenor Balanced was placed into liquidation by the Supreme Court of Bermuda on January 15, 2016 and Michael Morrison and Charles Thresh were appointed as joint provisional liquidators and subsequently as joint liquidators. Attached hereto as Exhibit 6 is the court order dated January 15, 2016 directing that Grosvenor Balanced be wound up.

D. Grosvenor Private Reserve

13. Grosvenor Private Reserve Growth Fund Limited (“Grosvenor Reserve,” and with Grosvenor Aggressive and Grosvenor Balanced, the “Funds”) is a private limited company organized and existing under the laws of Bermuda. Attached hereto as Exhibit 7 is Grosvenor Reserve’s Certificate of Incorporation, which shows that Grosvenor Reserve was incorporated on

October 8, 1999.

14. Grosvenor Reserve's registered office is located in Bermuda.

15. Grosvenor Reserve was placed into liquidation by the Supreme Court of Bermuda on January 15, 2016 and Michael Morrison and Charles Thresh were appointed as joint provisional liquidators and subsequently as joint liquidators. Attached hereto as Exhibit 8 is the court order dated January 15, 2016 directing that Grosvenor Reserve be wound up.

E. The Grosvenor Defendants

16. Based on my review of the Grosvenor Defendants' business records, I understand the Grosvenor Defendants maintained offices only in Bermuda and conducted all of their business in Bermuda. It is my understanding that none of the Grosvenor Defendants have ever maintained any office in the United States. I understand the Grosvenor Defendants are not and have never been registered to conduct business in the United States in any respect, nor have they ever maintained any files or records in the United States.

17. The Grosvenor Defendants have been placed into liquidation by the Supreme Court of Bermuda and are in the process of being "wound up" under the laws of Bermuda.

18. Since my appointment as a liquidator of the Grosvenor Defendants, none of the Grosvenor Defendants' directors, managers, or employees were based in the United States. Based on my review of Grosvenor Defendants' business records, it is my belief that none of the Grosvenor Defendants' directors, managers, or employees were based in the United States at any time.

19. I understand that the Grosvenor Defendants never offered or sold any interests in the Funds to any U.S. person. Indeed, based on my review of the prospectuses for the Funds, illustrative copies of which are attached hereto as Exhibits 9, 10, and 11, I understand U.S. persons were expressly prohibited from acquiring interests in the Funds. It is my understanding Grosvenor Management was not owned by any U.S. persons.

20. Based on my recollection and my review of the Grosvenor Defendants' business records, I understand the Grosvenor Defendants maintained bank accounts only in Bermuda at the Bermuda Commercial Bank Limited ("Bermuda Commercial Bank"), Butterfield Bank and the Bank of Bermuda. I understand the Grosvenor Defendants' Bermudan bank accounts were held in United States dollars. United States dollars are used interchangeably with Bermuda dollars in Bermuda, and many commercial activities in Bermuda are conducted with United States dollars rather than Bermuda dollars.

21. I understand the Grosvenor Defendants have never maintained any bank accounts in the United States. I understand that, when it was necessary for the Grosvenor Defendants to wire money outside of Bermuda to conduct their business, they would instruct one of their Bermudian banks to wire the needed funds from the Grosvenor Defendants' Bermuda-based bank account to the relevant recipient bank.

22. Similarly, I understand, based on my review of the Grosvenor Defendants' business records, there were no negotiations on the Grosvenor Defendants' part over the terms of Fairfield Sentry Limited's ("Sentry") Articles of Association or the subscription agreements, which were already in place when the Grosvenor Defendants first subscribed to Sentry. The Grosvenor Defendants executed the subscription documents by which they invested in Sentry in Bermuda. Attached hereto as Exhibit 12 is an illustrative copy of the subscription documents the Grosvenor Defendants signed in connection with their subscriptions to Sentry.

23. It is my understanding the Grosvenor Defendants did not interact with Bernard L. Madoff Investment Securities ("BLMIS") or any of its affiliates or representatives in connection with their investments in Sentry. I understand that the Grosvenor Defendants did not send any representatives, attend any meetings, or otherwise cause any of their representatives to set foot on U.S. soil in connection with their investments in Sentry.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: April 14, 2022
Hamilton, Bermuda

By:


Michael Morrison